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C O N F I D E N T I A L SECTION 01 OF 03 MANILA 002051

SIPDIS

STATE FOR EAP/MTS

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TAGS: [PGOV](#) [EAID](#) [PINR](#) [PREL](#) [PHUM](#) [KISL](#) [RP](#)
SUBJECT: PEACE PROCESS AT A CROSSROADS

REF: A. MANILA 2022 (PRESIDENT DETERMINED TO STOP
ATTACKS BUT COMMITTED TO PEACE)
[1](#)B. MANILA 1997 (GOVERNMENT PURSUES NEW PEACE
PROCESS STRATEGY)

Classified By: Ambassador Kristie A. Kenney
for reasons 1.4 (b) and (d).

[1](#)1. (C) SUMMARY: The events of the last few weeks -- the Supreme Court's cancellation of the signing of the Memorandum of Agreement (MOA) on territory, the fighting in various parts of central Mindanao, the government's declaration that it would no longer sign the MOA irrespective of the Supreme Court's decision -- have dramatically altered relations between the Philippine government and the Moro Islamic Liberation Front (MILF). President Arroyo took a key step toward reshaping the negotiating process September 3, dissolving the panel of government negotiators who worked out the MOA and instructing Peace Process Advisor Hermogenes Esperon to undertake a thorough review of all peace negotiations -- with the MILF, the communist New People's Army and the Moro National Liberation Front (MNLF). At the same time, top government officials and commentators have continued their harsh criticism of the MILF's recent attacks and called into question its legitimacy as a negotiating partner. For its part, the MILF has suffered setbacks, both on the battlefield and among its adherents, having failed to bring back a viable territorial agreement despite key concessions. The coming weeks will tell whether the MILF's time as a central player in Mindanao has passed. END SUMMARY.

MILF CLEARLY DIMINISHED

[1](#)2. (C) The MILF has emerged from events of recent weeks clearly diminished -- both militarily and politically. While the MILF leadership negotiated in good faith with the Philippine government on the MOA on territory and resource sharing and made significant concessions, particularly with regard to additional territory to be included in a new Muslim political entity (from over 3000 neighborhoods to just over 700), in the end the leadership had no agreement to show its rank and file members. In addition, the MILF suffered severe military setbacks with the rout of two of its commanders, who may or may not have been operating under the full control of the central leadership. The MILF also failed miserably in the public eye, in the aftermath of the bloody fighting, both by declaring itself a "revolutionary" organization and by refusing to turn over the two military commanders who incited violence. There are now strong hints that the Philippine government perceives the MILF as a spent force with which it cannot do business, and indications that the government may be considering as one possible peace track a comprehensive

agreement with the Moro National Liberation Front (MNLF), an organization from which the MILF splintered in the wake of the government-MNLF agreement in 1996.

IS THE MILF A TERRORIST ORGANIZATION?

13. (C) Also lurking in the background is the difficult discussion by some in the government about whether to label the MILF a terrorist organization because of the unprovoked attacks. There are a couple of issues on this front. It is unclear whether the MILF meets the requirements to be designated a terrorist organization. Many of their ill-advised actions fall more readily under the rubric of civil war/insurgency than purely terrorist actions. Commander Kato, one of the rogue MILF commanders, for example, reportedly seized villages that he thought would fall within his purview under the new MOA. While the MILF central committee exercises general military control over subcommands and has the authority to carry out peace negotiations with the government, its authority over certain MILF commanders is limited to persuasion and influence rather than direct control. It does appear to have firm control of the MILF Special Operations Groups (SOGs), special forces trained in weapons, demolition, and urban terrorism considered the real muscle of the organization. Information suggests that the SOGs have carried out bombings the past few weeks.

14. (C) From the international perspective, it would be difficult to brand the MILF a terrorist organization, since

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the MILF has focused on Philippine targets and has not targeted either U.S. or other foreign citizens or property. The MILF has repeatedly assured U.S. officials that it has no ties with terrorist organizations, such as the Abu Sayyaff Group (ASG) or the Jemmah Islamiyah (JI), and there is no strong evidence to suggest there exists an institutional link between the central leadership and any terrorist organization. That said, Mindanao is a clan-based society that is heavily influenced by tribal relationships. There is no doubt that there are common familial ties between members of the MILF and the ASG or JI -- some JI members are known to reside in MILF-controlled areas -- but these are personal ties that have thus far not metamorphosed into clear organizational or institutional ties.

ROUTING ROGUE MILF ELEMENTS

15. (C) One of the most striking aspects of fighting in recent weeks has been the success of the Armed Forces of the Philippines (AFP) in fighting MILF elements. Using a combination of rapid airlift, aerial bombardment, heavy artillery, and ground tactics, the AFP effectively routed MILF forces, inflicting serious casualties, though hard numbers are difficult to ascertain. There are signs that the MILF leadership itself considers the swift defeat a considerable military setback, particularly its reaching out to Malaysian and other foreign officials to urge the Philippine government to stop the AFP counteroffensive. Similarly, there has been an increase in kidnap for ransom of doctors in Mindanao, a traditional telltale sign that MILF fighters are in need of medical attention.

16. (C) For its part, the AFP appears to have been successful in its well calibrated and modulated offensive in response to MILF incursions. The Philippine government has made clear that the current AFP offensive is not intended to be an all out conflict but an effort to quash certain insurgent commanders. The AFP's combined tactics represent a step forward, and suggest that the training they have received from U.S. advisors has taken root and produced positive results.

17. (C) The peace process is clearly at a crossroads, with both the Philippine government and the MILF groping for the future. In a sign that the peace process is not fatally injured, Philippine government and MILF negotiators traveled to Kuala Lumpur under the auspices of the Malaysian facilitator and agreed to extend the mandate of the International Monitoring Team (IMT), which had been instrumental in keeping a cease-fire since their arrival in 2004, for another three months. The parties agreed to increase the number of Malaysian participants by 15, helping to overcome a withdrawal of 25 since last spring.

THE WAY FORWARD

18. (C) Beyond that, the way forward remains murky. For all its angry public statements, the MILF has not given up on the peace process. In addition to its willingness to extend the mandate of the IMT, the MILF also did not use the cancellation of the signing of the MOA as a pretext for ending the cease-fire and engaging in all out war. Indeed, in all likelihood, even the actions of the two commanders were not under the full control of the central leadership of the MILF. While it is hard to conceive they were truly "rogue" commanders, as widely portrayed by the press, the MILF is not a monolithic organization. Instead, it is one based on personal loyalty to, and inspiration from, local commanders, who maintain significant influence over their own fighters and autonomy over how they are deployed.

19. (C) For its part, the government awaits the Supreme Court's decision on the constitutionality of the MOA. In a confused performance during oral arguments before the Supreme Court, the Solicitor General failed to defend the MOA and appeared to junk it outright. However, the Solicitor General's arguments were so contradictory that it is currently unclear whether all elements of the MOA will be dropped. The Philippine government is outraged by the bloody attacks perpetrated by the MILF, and there are some

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government officials arguing that the MILF is no longer a viable organization with which to negotiate. Indeed, some officials argue that it is time for the government to focus its Mindanao efforts on the Moro National Liberation Front (MNLF). Nur Misuari, the MNLF's sometimes erratic leader, was recently inducted into the ruling KAMPI, the President's party. In addition, some government officials are beginning to look at Cotabato City Mayor Muslimin Sema, a well known and widely respected MNLF leader, as someone with whom the government can do business.

THE U.S. ROLE

110. (C) It will clearly take several weeks for the outlines of the government's and MILF's next steps to take shape and there will likely be many false starts before they pick up the pieces and reformulate. In the meantime, post believes that the current U.S. posture remains appropriate. A very limited number of U.S. special forces in Mindanao maintains a low profile but provides tactical and strategic guidance to AFP counterparts. The AFP's success against the MILF is a clear sign that U.S. efforts are bearing fruit, both on the military and policy side. Our low-key military posture in Mindanao is best paired with a lowering of our profile on the diplomatic front. In the days immediately following the cancellation of the signing of the MOA, commentators and politicians suggested the U.S. had ulterior motives in Mindanao and questioned the U.S.'s forward leaning stance in the peace process. In private meetings with government officials at all levels, including with President Arroyo, and during public events, the Ambassador and senior officers have

strongly rebutted suggestions that the U.S. has ulterior motives in promoting peace in Mindanao. We have also highlighted our long-term support and commitment to development cooperation and have reached out to an array of public and private groups, including human rights advocates, development organizations, Muslim civic organizations, and others with an interest in peace. By stressing our strong belief that a stable and peaceful Mindanao is key for a more prosperous and unified Philippines, we have helped stanch the flow of negative commentary on television and the press and begun to reach voices of reason, who will hopefully help bring the parties back to the peace process.

KENNEY